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IN THE

Supreme Court of the United States

OCTOBER TERM, 1946

CARON CORPORATION,

Petitioner,

against

MARIE OLLENDORFF,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

MAURICE LÉON,
JOSEPH H. CHOATE, JR.,
WILLIAM BYRD,
Counsel for Petitioner.

JUDICIAL PRINTING CO., INC., 82 BEEKMAN ST., N. Y.—BARCLAY 7—3648-9 182

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IN THE

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CARON CORPORATION,

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PETITION FOR WRIT OF CERTIORARI

To the Honorable, the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your petitioner, Caron Corporation, a corporation organized and existing under the laws of the State of New York, respectfully prays this Court for the issuance of a Writ of Certiorari to the Circuit Court of Appeals for the Second Circuit to review the final judgment of that Court entered March 31, 1947 affirming the final judgment of the United States District Court for the Southern District of New York entered April 22, 1946, dismissing the complaint on the merits and the order of said Appellate Court entered April 18, 1947 denying petitioner's petition for a rehearing.

Statement of the Matter Involved

The petitioner, as owner of the trademark "Bain de Champagne," French words meaning "Champagne Bath," registered as a fanciful mark in the U. S. Patent Office under the Trademark Act of February 20th, 1905, 33 Stat.

724, as amended (USC title 15, Sec. 81 *et seq.*), on March 18th, 1924, No. 181,205, and duly renewed on March 18, 1944 (R., p. 106), which it uses on a perfumed bath preparation (R., p. 107), sued the respondent, a New York resident, under that Act to restrain the use by her of the unregistered notation "Pink Champagne Cocktail" as a trademark for a face lotion. Petitioner limited its action to one of infringement (R., pp. 35, 69).

Petitioner has continuously used its trademark as such on its bath preparation in interstate commerce since 1924 (R., p. 107). Respondent's use of the notation complained of which includes use in interstate commerce (R., p. 65), began in 1941, *i.e.*, seventeen years after petitioner introduced its product on the American market (R., p. 107).

The District Court held petitioner's trademark valid (R., p. 107), but dismissed the action on the merits (R., p. 108) upon the ground that the word "Champagne" had not acquired a secondary meaning in the cosmetic trade identifying petitioner's goods (R., p. 107), thereby deciding adversely upon petitioner's contention that the doctrine of secondary meaning had no application in an action brought upon a valid fanciful trademark registered as such under the Act of 1905.

This decision was affirmed on appeal in an opinion which, in addition, held that the word "Champagne" was descriptive as applied to a toilet preparation upon the theory that it was to be regarded as a synonym of the word "stimulating"; and that the goods of the parties, both liquid toilet preparations, herein are not of the same descriptive properties (160 Fed. 2d 444, 445). (R., pp. 114-117).

Petitioner thereupon petitioned for rehearing upon five grounds, namely:

1. That under the established New York law which is applicable, the word "Champagne" is not descriptive of a toilet preparation.

2. That petitioner's trademark having been held valid by the Trial Court as a registered fanciful trademark under the Act of 1905, the doctrine of secondary meaning had no application to the case.

3. That under that Act a bath preparation and a face lotion, both being toilet preparations for use upon the skin, were goods of the same descriptive properties even though one was sold for use in the bath and the other for use in bathing the face only.

4. That if "Champagne" were descriptive the Court was without jurisdiction of the action and should dismiss on that ground.

5. That if "Champagne" were not descriptive petitioner is entitled to an injunction under both New York and Federal Law. (R., pp. 120-131).

The petition for rehearing was denied April 18th, 1947. (R. pp 132, 133).

The opinion of the Trial Court below being unreported is printed in an appendix to the petition. The opinion of the Circuit Court of Appeals is reported at 160 Fed. 2d 444.

Jurisdiction

This Court has jurisdiction of this action under the Trademark Act of 1905, *supra*, Sec. 18, 33 Stat. 729 (U. S. C. A., title 15, Sec. 98), which provides, in part, as follows:

> "That writs of certiorari may be granted by the Supreme Court of the United States for the review of cases arising under this act in the same manner as provided for patent cases by the act creating the circuit court of appeals."

This jurisdiction is retained under the Trademark Act of July 5, 1946, 60 Stat. 427, Sec. 46 (set out in note under

U. S. C. A., title 15, Sec. 1051), effective July 5, 1947, which provides, in part, as to appeals pending on July 5, 1947, as follows:

> "This Act shall be in force and take effect one year from its enactment, but except as otherwise herein specifically provided shall not affect any suit, proceeding, or appeal then pending."

The specific provisions referred to in Section 46, *supra*, do not affect the jurisdiction of this Court herein.

This jurisdiction is retained by the Act of July 5, 1946, *supra*, as to appeals arising under said Act, in Sec. 40, 60 Stat. 440 (U. S. C. A., title 15, Sec. 1122), which provides, in part, as follows:

> "Writs of certiorari may be granted by the Supreme Court of the United States for the review of cases arising under this Act in the same manner as provided for in cases under the patent laws."

Questions Presented

The action being brought under the Trademark Act of 1905, 33 Stat. 724, as amended (U. S. C. Title 15, Sec. 81 *et seq.*), and being limited solely to an action for an infringement of a mark registered thereunder:

1. Does New York law govern the substantive questions raised herein?

2. Under the governing law, is the word "Champagne" as used by Petitioner descriptive as applied to Petitioner's bath preparation?

3. If "Champagne" is descriptive under the governing law, did the Circuit Court and the District Court below have jurisdiction of the action?

Assuming "Champagne" as used by Petitioner is not descriptive as applied to Petitioner's bath preparation:

4. Is Petitioner entitled under the governing law, to an injunction restraining the use of a colorable imitation of its trademark on Respondent's face lotion, upon the ground that the goods of both parties are goods of the same descriptive properties?

5. Under the governing law, has the absence of secondary meaning as to the word "Champagne" alone any application to the question of whether Petitioner's trademark "Bain de Champagne" is infringed by Respondent's "Pink Champagne Cocktail" so as to entitle Petitioner to injunctive relief under the Act of 1905, *supra*?

6. Under the governing law, and if the absence of secondary meaning as to the word "Champagne" alone has no application to the case, does Respondent's "Pink Champagne Cocktail" infringe Petitioner's "Bain de Champagne" so as to entitle Petitioner to injunctive relief under the Act of 1905, *supra*?

7. Under the governing law, did the use since 1931 of the word "Champagne" as a trademark for a face lotion by a concern not a party to the action, which use was unknown to Petitioner and without Petitioner's consent, afford Respondent a defense to the action?

8. Under the governing law, must Petitioner prove actual confusion of purchasers as to the products involved or actual pecuniary loss, in order to secure injunctive relief in the action?

Reasons Relied Upon for the Granting of the Writ

1. The Petitioner contended below that its substantive rights were governed by the local law of the State of New York, which contention was rejected by the Circuit Court of Appeals for the Second Circuit. There is a conflict between the decisions of the Circuit Courts of Appeals as to

whether the substantive rights of the owner of a registered trademark are to be governed by the federal law or local law.

Philco Corp. v. *Phillips Mfg. Co.*, 133 F. 2d 663, decided January 19, 1943, in the Seventh Circuit, states at page 667:

> "We believe that all such questions arising under the Act of 1905 are governed by federal law, since they involve interpretation of a federal statute. . . . Although the contrary position has been taken by two courts with respect to questions of validity, Mishawaka Rubber & Woolen Mfg. Co. v. S. S. Kresge Co., 6 Cir., 119 F. 2d 316, 322; Folmer Graflex Corp. v. Graflex Photo Service, 44 F. Sup. 429, 432, this court has held that federal law controls questions relating to infringement, Rytex Co. v. Ryan and Time, Inc. v. Viobin Corp., supra."

Dwinnell-Wright Co. v. *National Fruit Product Co. Inc.*, 140 F. 2d 618, decided in the First Circuit, February 2, 1944, also applies federal law rather than local law in determining a question of infringement.

On the other hand, *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co., supra,* which was decided by the Sixth Circuit in 1941, holds that local law is controlling as to substantive rights.

This Court has already recognized this conflict as a proper basis for the granting of certiorari in *Pecheur Lozenge Co. Inc.* v. *National Candy Co. Inc.*, 315 U. S. 666 (1941). Indeed, as an examination of that record shows, it was upon its own initiative, the question not being mentioned in the petition for certiorari, that this Court determined the question should be considered. In deciding the case on the merits, this Court clearly stated the reason for which it granted certiorari:

> "Both courts below having failed to consider or apply local law, *we granted certiorari,* 314 U. S. 603,

> *in order to determine whether local law or federal law should have been applied in a suit for infringement of a Trademark registered under the Trademark Act of 1905.*" (Italics ours.)

However, this Court was not able to determine that issue at that time as it was found not to be presented by the record.

> "But an examination of the original exhibits, not printed in the record, and of petitioner's brief on the merits here, discloses that the registration referred to is that of petitioner's labels under the Copyright Law of the United States, and not registration under the Trademark Law. It thus appears that petitioner has alleged no cause of action under the Copyright Law and is not entitled to the benefits of registration under the Trademark Law" (*ibid.* 667).

Because this issue was not decided by this Court in *Pecheur Lozenge Co. Inc.* v. *National Candy Co. Inc., supra,* this conflict between circuits still exists and was recognized in *Dwinnell-Wright Co.* v. *National Fruit Product Co., supra.* In that case the Court said:

> "The point is not by any means free from doubt and difficulty as the Supreme Court clearly indicated by granting certiorari in Pecheur Lozenge Co. Inc. v. National Candy Co., Inc., 315 U. S. 666, 62 S. Ct. 853, 86 L. Ed. 1103, expressly in order to consider it. But in the above case the Supreme Court was thwarted of its purpose because upon examination of the record it appeared that the petitioner's labels had been registered under the Copyright Law of the United States, 17 U. S. C. A. § 1 et seq., not under the Trademark Law. In consequence we are left for the present without controlling authority."

It is submitted that the circuits should no longer be left without controlling authority in the matter, that this

Court having been thwarted of its purpose to resolve that conflict, as the First Circuit opinion put it, has presented to it here the opportunity to provide controlling authority which will be effective both under the Trademark Act of 1905 and under the new Trademark Act which is to take effect July 5, 1947.

The Trademark Act of July 5, 1946, effective July 5, 1947, does not settle the question here presented. Like the Act of 1905, *supra,* it is silent as to the source of the law which is to be applied to substantive questions arising under it. Furthermore, by virtue of Section 46, it does not prevent the bringing of actions under the Act of 1905, *supra,* after July 5, 1947.

Question 1, *supra,* is presented therefore because of the conflict between circuits above noted, and because it is an important continuing question under both the 1905 and 1946 Acts, *supra,* which has not been but should be settled by this Court.

2. The decision of the Appellate Court below that a mark such as "Bain de Champagne" applied to a toilet preparation is descriptive on the theory that the word "Champagne" in that connection is to be construed as a synonym for the word "stimulating" is contrary to the law of New York State. The question was presented in *Selchow* v. *Baker,* 93 N. Y. 59, where the opinion was written by RAPALLO, *J.* In that case the plaintiff had obtained an injunction restraining defendants from using the names "Sliced Animals," "Sliced Birds," "Sliced Objects" in connection with certain games or puzzles:

> "These puzzles consisted of pictures of animals, birds and different objects upon card-board, cut into strips or pieces, and the puzzle consisted in putting them together so as to form the complete picture."
>
> *Selchow* v. *Baker, supra,* at page 60.

The opinion after reviewing the state of the law in New York expressed its conclusion as follows:

> "Our conclusion is, that where a manufacturer has invented a new name, consisting either of a new word, or a word or words in common use which he has applied for the first time to his own manufacture or to an article manufactured for him, to distinguish it from those manufactured and sold by others, and the name thus adopted is not generic or descriptive of the article, its qualities, ingredients or characteristics, but is arbitrary or fanciful and is not used merely to denote grade or quality, he is entitled to be protected in the use of that name, notwithstanding that it has become so generally known that it has been adopted by the public as the ordinary appellation of the article" (at p. 69).

In *Hier* v. *Abrahams*, 82 N. Y. 519 (1880) it was held that the common word "Pride" was a valid trademark for cigars and would be protected by injunction on the basis of deceptive similarity without requiring any other proof.

That *Hier* v. *Abrahams* remains the leading authority on the point in New York is manifest from reliance on it in the following cases:

Smith v. *Sixbury*, 25 Hun 232 (1881) involved the words "Magnetic Balm" for a liquid medicine. The trademark was upheld on the authority of *Hier* v. *Abrahams*, it being held that the words were non-descriptive.

Electro-Silicon Co. v. *Hazard*, 29 Hun 369, decided in the General Term in 1883 involved the words "electro silicon" for a polishing material. The trademark was held non-descriptive. The opinion states:

> "But the case of Hier v. Abrahams (82 N. Y. 519) is regard (sic) as conclusive upon the right of the plaintiff herein to an injunction" (at p. 374).

The opinion goes fully into the facts and reasoning of *Hier* v. *Abrahams*, pointing out that an injunction should be

granted without requiring proof of actual fraud such as is necessary in unfair competition cases.

Fort Stanwick Co. v. *McKinley Co.*, 49 App. Div. (N. Y.) 566, involved two sets of conflicting trademarks on canned goods, "Pride of Rome" held infringed by "Pride of Home" and "F. S. Flag" held infringed by "Our Flag." *Hier* v. *Abrahams, supra,* is treated as the leading case (at p. 574). The same is true of *Weiss* v. *Tucker,* 129 N. Y. Misc. 648, at p. 649 (N. Y. County 1927) and of *Cloverdale Spring Co.* v. *Risendorph,* 144 N. Y. Misc. 338 (N. Y. County 1932), the latter involving the word "Cloverdale" for beverages which was held infringed by "Clover Club" on the authority of *Hier* v. *Abrahams* (at p. 340).

See also *Lauferty* v. *Wheeler,* 63 Howard's Practice (N. Y.) 488, where the word "Alderney" was held a valid trademark on the same authority.

See also *Waterman* v. *Shipman,* 130 N. Y. 301, sustaining the validity of the trademark "Ideal" for fountain pens; *Reardon Lab.* v. *Miller,* 146 N. Y. Misc. 508 (1931).

The substance of the holding below is that if a word in common use is appropriated for use as a trademark on a totally different product, it is still descriptive if a fertile imagination can suggest a connection between the word in its descriptive sense and the product on which it is used as a trademark.

This holding is in conflict with the rule established by this Court in *Hamilton-Brown Shoe Co.* v. *Wolf Bros & Co.,* 240 U. S. 251, in which the trademark was "The American Girl" as used on shoes, and held that it was not

> "* * * a descriptive term. * * * nor does it indicate the quality or characteristics of the shoes. Indeed, it does not, in its primary signification, indicate shoes at all. It is a fanciful designation, arbitrarily selected by complainant's predecessors to designate shoes of their manufacture. We are convinced that

> it was subject to appropriation for that purpose, * * *'" (at p. 256).

The Circuit Court of Appeals in the Eighth Circuit quoted this language and adopted the same rule in holding the word "Blindcraft" not descriptive as applied to "brooms or brushes or mops or furniture" made by the blind (*San Francisco Ass'n for the Blind* v. *Industrial Aid*, 152 F. 2d 532 at p. 534).

The Fourth Circuit adopted the same rule in *Reardon Lab.* v. *B & B Exterminator*, 71 F. 2d 515 (C. C. A. 4, 1934) and held "Rat Seed" non-descriptive for rat poison.

The Trademark Act of July 5, 1946, *supra*, does not solve the question. It deals with descriptiveness only in its registration provisions (Sec. 2(e)) and therein merely reenacts the substantially similar provisions of the Act of 1905, *supra*.

Question 2, *supra*, is presented therefore because the holding of the Appellate Court below is in conflict with the law as established by this Court, the 4th and 8th circuits, and the Court of Appeals of New York, as shown above.

3. Upon its own theory that Petitioner's mark was descriptive the Appellate Court below should have dismissed the case for want of jurisdiction instead of affirming a dismissal upon the merits.

It is well settled in this Court that a descriptive mark cannot be registered under the Act of 1905 (*supra*) and that once a mark has been found invalid because descriptive or geographical, there remains no federal jurisdiction of an action for its *infringement* in the absence of diversity of citizenship or other general ground of federal jurisdiction. This was the very holding in *Elgin National Watch Co.* v. *Ill. Watch Case Co.*, 179 U. S. 665, where the Circuit Court of Appeals held in a case in which the parties were

both Illinois corporations that the bill must be dismissed for want of jurisdiction. It involved a trademark registered under the Act of 1881 which the Circuit Court of Appeals had found to be geographical. This Court affirmed the dismissal for want of jurisdiction.

In *A. Leschen & Sons Rope Co.* v. *Broderick,* 201 U. S. 166, where the parties were residents of the same State, the trademark registered by plaintiff was held "too indefinite to be the subject of a valid trademark" (at page 170). The conclusion reached was:

> "Our jurisdiction depends solely upon the question whether plaintiff has a registered trademark valid under the Act of Congress and, for the reasons above given, we think it has not" (at page 172).

In subsequent cases, *Hurn* v. *Oursler,* 289 U. S. 238 and *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.,* 305 U. S. 315, jurisdiction was sustained upon a different set of facts. In *Hurn* v. *Oursler* the bill raised a substantial federal question under the Copyright Act giving the Court jurisdiction which it retained to decide a claim of unfair competition. In *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.,* a registration under the Trademark Act of 1920 was involved in support of which proof of ownership and secondary meaning was given which gave the Court jurisdiction similar to that in the case of a valid registration under the Act of 1905. Upon such proof registration under the Act of 1920 was held to confer jurisdiction to grant relief against unfair competition. In both cases proof of actual fraud was held essential to sustain the cause of action.

This in effect was the requirement applied in the case at bar by both the trial and appellate courts below. The Trial Court held valid petitioner's trademark and registration under the Act of 1905 but further held that proof of secondary meaning was required and was lacking. The

Appellate Court held petitioner's mark descriptive and secondary meaning lacking, yet both courts undertook to dispose of the merits, in spite of the fact that there was no diversity of citizenship and Petitioner expressly disclaimed unfair competition and stood strictly on its cause as one of infringement under the Act of 1905, *supra* (R., pp. 35, 69).

The Act of July 5, 1946, is silent on this question. Since it re-enacts in substance the jurisdictional provisions of the 1905 Act, however, the same question will arise under it; furthermore, under Section 46 thereof, actions will continue to be brought under the Act of 1905, *supra.*

Question 3, *supra,* is presented therefore because the decision of the Circuit Court below conflicts with the provisions of the Act of 1905, *supra,* with the doctrine advanced by the *Leschen* and *Elgin* cases, *supra,* and is an important and continuing question which has not been but should be decided by this Court.

4. The Appellate Court below stated as to the point here involved that Petitioner used its mark only on its bath preparation while Respondent has used her notation only on her face preparation, and that there was no evidence of actual confusion between the two products as advertised or sold (160 Fed. 2d 444, 445).

Since the only question in the action as to the products as such is whether they possess "substantially the same descriptive properties" within the meaning of that phrase as used in Sec. 16 of the Act of 1905 upon which the action is based, the affirmance by the Appellate Court on the grounds stated is a holding that the phrase quoted above should be construed to limit the preemptive rights of Petitioner under its registered mark to bath preparations.

If the question of such preemptive rights is to be determined by the law of New York, this holding is in conflict with that law. See *Tiffany & Co.* v. *Tiffany Productions*

Inc., 147 Misc. 679, aff'd 237 App. Div. 801, aff'd 262 N. Y. 482; *Long's Hat Stores Corp.* v. *Long's Clothes Inc.*, 224 App. Div. 497 (1st Dept., N. Y., 1928); *Phil. Storage Battery Co.* v. *Mindlin*, 163 Misc. (N. Y.) 52 (S. Ct., 1937); *Cartier* v. *Parfums Blanchard*, 32 N. Y. Sup. 2d 15 (N. Y. S. Ct., 1941).

If the question is to be determined by Federal law, this holding is in conflict with the rule of the 1st, 3rd, 7th and 8th Circuits:

Dwinnell-Wright Co. v. *Nat. Fruit Co.*, 140 Fed. 2d 618 (C. C. A. 1, 1944);

Rosenberg Bros. & Co. v. *Elliott*, 7 Fed. 2d 962 (C. C. A. 3, 1925);

California Fruit Growers Exchange v. *Windsor Beverages Ltd.*, 118 Fed. 2d 149 (C. C. A. 7, 1941);

San Francisco Ass'n for the Blind v. *Industrial Aid*, 152 Fed. 2d 532 (C. C. A. 8, 1946).

It also conflicts with the prevailing construction of the similar phrase in the registration provisions of the same Act, Sec. 5, in the Patent Office. See *California Packing Corp.* v. *Tillman & Bendel*, 40 Fed. 2d 108 (C.C.P.A., 1930).

The Trademark Act of July 5, 1946, does not define the extent of the preemptive rights as aforesaid although it implies (Sec. 32(1)) the rule advanced by the cases cited above which conflicts with the decision below.

This Court granted certiorari on this question in *Beech-Nut Packing Co.* v. *P. Lorillard Co.*, 269 U. S. 551 but, although deeming it a "nice question," did not decide it because it was found not to be presented (same case, 273 U. S. 629 at p. 633). As a result, this Court has never passed on the question.

Question 4, *supra*, is presented therefore because the holding of the Appellate Court below is in conflict with the

applicable New York decisions above stated, and in conflict with decisions of other circuit courts of appeals in the four circuits mentioned, and because it presents an important question arising under both the Acts of 1905 and 1946, *supra*, which has not been, but should be, settled by this Court.

5. On the question of the similarity of the two marks here involved, which question under the Act of 1905, *supra*, Section 16, is whether Respondent's "Pink Champagne Cocktail" colorably imitates Petitioner's "Bain de Champagne," the Circuit Court below held:

> "* * * there was no showing that the word 'champagne,' common to both trademarks, had acquired a secondary meaning indicating that it meant the plaintiff's toilet preparations" (160 Fed. 2d 445).

The District Court below likewise made a finding to this effect (see Finding 3, Appendix, p. 26, *infra*).

Having gone this far, neither court examined the question of colorable imitation, both holding in effect that the lack of such secondary meaning was conclusive against Petitioner on said question.

The practical holding herein, in short, is that the Petitioner's preemptive rights under the Act of 1905, *supra*, Section 16, as to the only part of its mark having trademark significance (*i.e.* "Champagne") do not accrue upon adoption of the mark, nor upon its registration, but only upon the acquisition of such secondary meaning.

If New York law governs this question, this holding is in conflict with said law. The New York rule is that the rights of an owner of a fanciful mark accrue upon first use and remain his thereafter until the mark is abandoned; and that the extent of use, there being no abandonment, is irrelevant on the question of those rights.

Neva Wet Corp. of America v. *Never Wet Processing Corp.*, 277 N. Y. 163, 13 N. E. 2d 755 (1938).

If Federal law governs, this holding is in conflict with the rule, substantially the same as the New York rule, currently in force in the 6th, 7th and 8th circuits.

Kathreiner's Malzkaffee v. *Kneipp Medicine Co.*, 82 Fed. 321 (C. C. A. 7, 1897);
E. L. Prichard Co. v. *Consumers Brewing Co.*, 136 Fed. 2d 512 (C. C. A. 6, 1943);
Ansehl v. *Williams*, 267 Fed. 9 (C. C. A. 8, 1920).

Lastly, this holding is in conflict with the holding of this Court in *Beech-Nut Packing Co.* v. *Lorillard Co.*, 273 U. S. 629.

The Act of July 5, 1946, *supra*, like the Act of 1905, *supra*, is silent as to secondary meaning where a fanciful mark is involved. Both Acts proceed upon the theory that where a trademark is technically valid, secondary meaning is not required to support an action for its protection. Apart from these statutes, the cases both New York and Federal, look to secondary meaning only when relief is sought on a ground other than, or in addition to, that of technical infringement. This application of the doctrine is well expressed in *Fishel & Sons Inc.* v. *Distinctive Jewelry Co. Inc.*, 196 N. Y. App. Div. 779 in this language found at page 788:

> "We think it may fairly be inferred from the evidence that the phrase 'Jewelry of Distinction' has acquired in the trade a secondary meaning as indicating the imitation jewelry manufactured and sold by the plaintiff, * * *. In such cases it is well settled that the use by a party of * * * fanciful or descriptive phrases or words under which goods manufactured and advertised by another have become known

> in the trade and which use is intended and calculated to result in unfair competition, even though the * * * phrases or words are not such that one party may obtain an exclusive right to the use thereof as a * * * trademark, may be enjoined on the theory that the * * * phrases or words have thus acquired in the trade a secondary meaning as identifying the business or goods of the party first using them."

Citing *T. A. Vulcan* v. *Myers,* 139 N. Y. 364; *Elgin National Watch Co.* v. *Illinois Watch Co.,* 179 U. S. 665; and numerous other cases at pages 788-789.

Thus neither under New York law nor under Federal law has the doctrine of secondary meaning any application in the case of a non-descriptive, fanciful trademark.

Because the holding herein has no basis in the Act of 1905, *supra,* under which this action is brought and because it conflicts as aforesaid with the doctrine laid down in the applicable decisions cited above, *supra,* it calls for review.

6. As above noted, the Appellate Court below did not pass expressly on the question of whether Respondent's "Pink Champagne Cocktail" is a colorable imitation of Petitioner's "Bain de Champagne" under the Act of 1905, *supra,* Section 16, holding the absence of secondary meaning was fatal to Petitioner's action (see reason 5, *supra*) and by holding "Champagne" descriptive (see reason 2, *supra*). By affirming the dismissal of Petitioner's complaint, however, the Appellate Court below held impliedly that "Pink Champagne Cocktail" was not a colorable imitation of "Bain de Champagne" under the above cited section.

The rule thus established is, in effect, that Respondent may appropriate "Champagne," the only word of Petitioner's registered mark having trademark significance ("Bain de" being admittedly descriptive), and use it with

impunity under the Act of 1905, *supra*, in a notation wherein again it is the only word having trademark significance ("Pink" being admittedly descriptive and "Cocktail" being apparently a trade expression equivalent to "astringent" according to respondent's proof (R., pp. 75, 95)).

Obviously the rule renders the word "Champagne" worthless as a trademark symbol to Petitioner, for if Respondent may appropriate it, others may. Respondent's use of the word constitutes *per se* a real injury prohibited by New York law.

See among New York authorities cited *supra* in reason 2, pages 8-9, the following:

> *Hier* v. *Abrahams, supra;*
> *Electro-Silicon Co.* v. *Hazard, supra;*
> *Fort Stanwick Co.* v. *McKinley Co., supra,* and
> *Cloverdale Spring Co.* v. *Risedorph, supra.*

Likewise the rule is in conflict with the basic doctrine, based on the psychological function of trademarks as symbols, recently laid down by this Court in *Mishawaka Mfg. Co.* v. *Kresge Co.*, 316 U. S. 203 at p. 205, and the similar holding of this Court earlier established in *Beech Nut Co.* v. *Lorillard Co.*, 273 U. S. 629 at p. 632.

The decision below also conflicts with the rule followed in other circuits to the effect that the appropriation of the dominant feature of a trademark by a second user for use as the dominant feature in the latter's mark constitutes an infringement:

> *Noll* v. *Rinex Laboratories,* 25 F. Sup. 239, aff'd on opinion of lower court 99 F. 2d 1013 (C. C. A. 6, 1938);
> *United Drug Co.* v. *Obear-Nestor Glass Co.,* 111 F. 2d 997 (C. C. A. 8, 1940).

See also:

> *Devoe Snuff* v. *Wolff*, 206 F. 420 (C. C. A. 6, 1913); *Queen Mfg. Co.* v. *Ginsberg*, 25 F. 2d 284 (C. C. A. 8, 1928).

It conflicts also with the prevailing rule in the Patent Office and in the Court of Patent Appeals with respect to registration under the Act of 1905, *supra*.

> *Frankfort Distilleries Inc.* v. *Kasco Distilleries Products Co.*, 111 F. 2d 481 (C. C. P. A., 1940).

It was pointed out to the Appellate Court below that the Patent Office in *Caron Corporation* v. *Banta*, Opposition No. 20,665 decided November 26, 1941, in which petitioner opposed the registration of "Champagne Mist" for sparkling effervescent soap preparations or substitutes in powder and in liquid forms," had held that "Champagne" is the only essentially arbitrary part of the mark of petitioner. In attempting to distinguish the state of facts in the case at bar from that in the "Champagne Mist" case, the Appellate Court below stated that the *Banta* case "not only dealt with a toilet soap which was to be used in baths, but was upon a record quite different from the one before us" (160 F. 2d on p. 445). Nothing contained in the *Banta* decision sustains the statement that the Banta preparation called "Champagne Mist" was to be used in baths more than in basins for bathing the face. The Banta application was for a registration in Class 4 of the Patent Office, while petitioner's trademark was registered in Class 6. Class 4 includes soaps, while Class 6 includes toilet preparations. The examiner expresses the opinion that "Champagne"

> "is the dominant feature of the mark used by opposer and the one upon which purchasers are likely to primarily rely in seeking to obtain the goods to which it pertains.

> Under these circumstances and in view of the relative prominence of this same word 'Champagne' in the mark 'Champagne Mist' sought to be registered, the examiner is persuaded that the concurrent use of these marks in trade would be reasonably likely to cause confusion."

The reasoning of the examiner of interferences is submitted to this Court as diametrically opposed to that of the Appellate Court below and based upon infinitely firmer ground.

The Trademark Act of July 5, 1946 does not settle this question; it re-enacts the same test of infringement, *i. e.*, "colorable imitation" (Sec. 32), as that contained in the Act of 1905, *supra.*

Because of the conflicts above noted, and because it is an important continuing question involving a statutory construction arising under the Act of July 5, 1946, *supra,* as well as the Act of 1905, *supra,* Question 6 is presented as worthy of review in this Court.

7. The Circuit Court below found that Scandia, a concern not a party to the action, had used "Champagne" as a trademark for a "facial cocktail" since 1931. Disregarding Petitioner's ignorance of that use, and Petitioner's priority in the premises, it went on to hold that Petitioner failed to establish (160 Fed. 2d 444 at p. 445),

> "any trademark right to use the single word 'champagne' as against defendant *and* Scandia." (Italics ours.)

The holding, in short, was that Scandia's rights, if any (the question was not litigated), afforded Respondent a good defense to this action.

This holding conflicts with the law of New York if that law governs. See

Int. Cheese Co. v. *Phoenix Cheese Co.*, 118 App. Div. 499 (N. Y., 3rd Dept., 1907),

in which it was held that use by third parties did not constitute a defense.

It likewise conflicts with the prevailing rule in the 1st and 3rd Circuits if the Federal law governs:

Ward Baking Co. v. *Potter-Wrightington, Inc.*, 298 Fed. 398 (C. C. A. 1, 1924);
Bond Stores Inc. v. *Bond Stores, Inc.*, 104 Fed. 2d 124 (C. C. A. 3, 1939).

The Act of July 5, 1946, *supra*, like the Act of 1905, *supra*, does not cover this question.

Question 7, *supra*, is presented, therefore, because of the conflicts above noted, and because it is an important question which has not been but should be decided by this Court.

8. The Appellate Court below in affirming the dismissal of the District Court below held that (160 F. 2d 444):

> "there was no proof of confusion between • • • (Petitioner's and Respondent's) • • • goods."

It also held that since Petitioner used its mark only on a bath preparation and Respondent did not use her mark on a bath preparation (160 Fed. 2d. 445)

> "that • • • (Petitioner) • • • has suffered no loss through the sales by the • • • (Respondent) • • •"

Insofar as this is a holding that proof of either actual confusion of goods, or actual pecuniary loss is necessary in an action for technical infringement brought under the 1905 Act, *supra*, it conflicts with New York law. Under New York law Petitioner is not required to furnish proof of confusion or proof of loss through Respondent's sales as a condition

to obtaining an injunction restraining the use of a mark deceptively similar to that of Petitioner. This has been well settled in New York since *T. A. Vulcan* v. *Myers,* 139 N. Y. 364. The same case holds that deceptive similarity is enough to warrant an injunction without proof of confusion or deception and that it is not necessary for Plaintiff to show that any loss was suffered by the Plaintiff by reason of Defendant's sales. The opinion states at pages 367 and 368:

> "* * * the manufacturer who produces an article of recognized excellence in the market, and stamps it with the insignia of his industry, integrity and skill, makes his trademark a part of his capital in business, and thus acquires a property right in it, which a court of equity will protect against all forms of commercial piracy * * *
>
> "The owner is not required to wait until the wrongful use of his trademark has been continued for such a length of time as to cause some substantial pecuniary loss. (Manufacturing Co. v. Trainer, 101 U. S. 51.)"

The Court further held, following the precedent of *Coleman* v. *Crump,* 70 N. Y. 573, that the right to an injunction is not affected by whether or not there is an intention to infringe.

> "It is sufficient that the proprietary right of the party and its actual infringement is shown" (at p. 368).

That this is still the law in New York (See N. Y. cases cited under question 4) has been asserted by a long line of cases, the latest of which was decided on May 29th, 1947, by the Appellate Division in the First Department, in *Famous Sea Food House Inc.* v. *Skouras,* in an opinion published on the first page of the *New York Law Journal* for June 10th, 1947.

This holding also conflicts with the rule followed in the 6th, 7th and 8th circuits:

> *Noll* v. *Rinex Laboratories,* 25 F. Sup. 239, at p. 240; aff'd 99 F. 2d 1013 (C. C. A. 6, 1938);
> *United Drug Co.* v. *Obear-Nester Glass Co.,* 111 F. 2d 997 at p. 1000 (C. C. A. 8, 1940), certiorari denied, 311 U. S. 665;
> *Gehl* v. *Hebe,* 276 F. 271 at p. 272 (C. C. A. 7, 1921) (The rule was recently reaffirmed in the same Circuit in a case not as yet officially reported: *Barbasol Co.* v. *Jacobs* (C. C. A. 7, Feb. 28, 1947), quoted in 15 Law Week 2519.)

The Trademark Act of 1946, *supra,* Sec. 32, like that of 1905, *supra,* is silent as to whether proof of actual damages is a condition to the grant of an injunction. The question will continue to be presented under both Acts until this Court passes on it.

Question 8, *supra,* is presented therefore because of the conflicts above noted, and because it is an important question which has not been but should be decided by this Court.

This Court in *Trademark Cases,* 100 U. S. 82, 92, has stated that the right to adopt and use a trademark

> "is a property right for the violation of which damages may be recovered in an action at law, and the continued violation of it will be enjoined by a court of equity, with compensation for past infringement • • • This exclusive right was not created by the Act of Congress and does not now depend upon it for its enforcement. The whole system of trademark property and the civil remedies for its protection existed long anterior to that Act and have remained in full force since its passage."

That this Court has not abandoned this property concept is shown by cases such as *Bourjois* v. *Katzel,* 260 U. S. 689,

where it was held that the monopoly of a trademark is not less complete than that of a patent, that inasmuch as it can be easily destroyed it should be protected with corresponding care (at page 692).

In *United Drug Co.* v. *Parodney*, 24 F. 2d 577, 579, decided in 1928 by District Judge INCH sitting in the Eastern District of New York, it was stated concerning trademarks that

> "Theoretically and perhaps practically as well this hard-earned right is as important as money in the bank. It should not be taken, or even nibbled away, by another, any more than the dollars should be taken from its bank, against its protest and without right in law or equity to do so."

It is this hard-earned right which is at stake.

WHEREFORE, your petitioner respectfully prays that a Writ of Certiorari be issued under the Seal of this Court, directed to the United States Circuit Court of Appeals for the Second Circuit, commanding said Court to certify and send this Court on a day to be designated, a full and complete transcript of the record and all proceedings in said Circuit Court of Appeals had in this cause, to the end that this cause may be reviewed and determined by this Court; that the judgments of said Circuit Court of Appeals and District Court be reversed; and that your petitioner be granted such other and further relief as to this Honorable Court may seem just.

CARON CORPORATION,

By MAURICE LÉON,
JOSEPH H. CHOATE, JR.,
WILLIAM BYRD,
Counsel for Petitioner.

New York, June 16, 1947.

APPENDIX

Opinion of Clancy, *D.J.*

FINDINGS OF FACT.

1. Plaintiff is the assignee and owner of a registered trade-mark No. 181205 consisting of the words "Bain de Champagne" inscribed in a form in which the letter "i" in the first word is small and the connective "de" consists of small letters. It was registered on March 18, 1924 for, among other things, toilet waters for bathing, in class six. This trade-mark was renewed on March 18, 1944. The plaintiff spent money to advertise its product designated by the name "Bain de Champagne" during the years 1926, 1927 and 1928. It has sold its preparation throughout the United States since 1925, but in no great quantity since 1927. From 1934 through 1937 sales were inconsiderable: none were effected in 1936. Since 1940 there have been practically no sales, a fact attributable to war conditions. We find the entire phrase "Bain de Champagne" is a valid trade-mark for its bath water and that it is registered and owned by the plaintiff and has been used as such by it since its registration in 1924.

2. Plaintiff also owns two registered trade-marks, each consisting of two labels intended to be applied to bottles. One label is intended for a collar on a bottle and the other is intended to surround the bottle's base. These were registered in July, 1924. The labels are identical but one registration is for use for "soaps, pastes and soap powders in class 4", the other for "pastes and powders for beautifying and preserving the skin, teeth and hair and perfumery in class 6." The words "Bain de Champagne Caron" with the form of the letters of the words

"Bain de Champagne" being substantially that of the registered mark described in finding 1, appear at the foot of the label intended for the bottle's base. This is the label actually used by the plaintiff in marketing its bath preparation.

3. The word "Champagne" alone has acquired no secondary meaning in the cosmetic trade indicating manufacture or sale of any merchandise by plaintiff.

4. The defendant since the beginning of 1941 has manufactured and sold, largely at retail, an astringent preparation referred to as a face refresher. It is marketed in a glass container which bears a plain label with the legend "Pink Champagne Cocktail."

5. Before the commencement of this action plaintiff made written demand on defendant that she desist from use of the title "Pink Champagne Cocktail" for her product and defendant has ignored it.

6. The defendant's mark "Pink Champagne Cocktail" does not infringe the plaintiff's registered trade-mark "Bain de Champagne No. 181205."

CONCLUSION OF LAW.

1. The complaint must be dismissed.

Dated: New York, N. Y., April 8, 1946.

JOHN W. CLANCY,
United States District Judge.